



FOR IMMEDIATE RELEASE

May 22, 2007

MAYOR JERRY SANDERS FACT SHEET

CITY ATTORNEY’S MISMANAGEMENT OF HIS OWN BUDGET “INCONSISTENT WITH CITY FINANCIAL REFORM EFFORTS”

Mayor Jerry Sanders was elected in large part to reform and bring greater transparency the City’s budgetary practices. One of the most fundamental reforms that the Mayor introduced in preparation of the City’s FY07 budget was the elimination of hundreds of “supplemental” or “phantom” positions. In spite of the City budget office’s clear and precise direction to all departments last year (see attached memo), the City Attorney’s office ignored the request to disclose all supplemental positions and instead has relied on the games that got the City into trouble to begin with, using salary savings to fund 17 positions that technically do not exist.

In spite of the fact that virtually all City departments are losing positions as part of the Mayor’s budget proposal, the City Attorney has demanded that these 17 positions be funded. Despite the Mayor’s willingness to consider the City Attorney’s request, the necessary revenues simply do not exist to fund all of the positions. Sanders is dedicated to ensuring that all City departments receive the support they require to adequately carry out their missions. For example, the Mayor’s proposal includes funding the same number of personnel in the City Attorney’s office known to us last year as well as an increase in non-personnel expenses designed to correct the City Attorney’s under-budgeting last year.

“I will continue to work with the City Attorney in a constructive fashion but his conduct is disappointing. Clearly, his behavior is also inconsistent with the financial reform efforts that I have brought to City Hall. My staff could not have made it clearer that we wanted to bring transparency to our budgetary practices,” said Mayor Jerry Sanders. “We asked for departments to disclose their supplementals. Mr. Aguirre had every opportunity to disclose those positions and allow for them to be funded. For reasons that are unbeknownst to me, Mr. Aguirre has chosen not to do so until now.”

The 17 positions that Mr. Aguirre wishes to add to the budget cost the city approximately \$2.3 million per year (average position cost of \$135,389 x 17). In addition, all of the positions have pension liabilities associated with them that compound the annual costs.

At his news conference, Mr. Aguirre made the following allegations:

- **Allegation:** No one else is being treated this way.

Truth: The City Attorney's allegation is false. Employees are being cut from virtually every mayoral department of City government. As part of the Mayor's budget proposal, 671.53 Full Time Equivalents (FTE's) will be permanently eliminated from the City's budget in FY08. Since the Mayor took office in December 2005, he has eliminated 709.53 FTE's from the City's payroll. Combined, this represents 9.1% of the City's workforce in mayoral departments, excluding sworn public safety personnel. The Mayor plans to eliminate an additional 250 FTE's (for a total of 959.53 FTE) over the next two fiscal years resulting in a total mayoral workforce reduction of 12.4%.

With the exception of the City Attorney's office, no other non-mayoral departments asked for supplementals not previously disclosed to be added to the FY08 budget.

- **Allegation:** Not funding these positions will result in service cut-backs provided by the City Attorney's office.

Truth: The City Attorney should reform his office so that there is no cut in service levels, just as every other department of City government will be expected to do.

To ensure that there is no cut in service levels, the Mayor will support the addition of 3 (of the 17) supplementals to the City's FY08 budget: the three positions recommended in the Kroll report for financial reporting.

- **Allegation:** The Mayor's staff gave "their word" in open session to fund 12 of the 17 positions.

Truth: At the May 7th meeting of the Council's Budget Committee, Chief Financial Officer Jay Goldstone said that the Mayor supported funding 12 supplemental positions and that those positions would be reflected in the May revise budget document. The Mayor and Mr. Goldstone have always approached their budget conversations with the City Attorney's office in a constructive fashion and with a willingness to help.

However, Mr. Goldstone's statements were conditioned on there being the necessary revenues to meet the expense of funding the supplemental positions. Since that time, the City has received word of significant and costly new expenses, including additional costs associated with the police raise, \$1.4 million for the Chargers ADA lawsuit and \$1.2 million for increased elections cost.

- **Allegation:** Not funding the positions is retaliation for the City Attorney's aggressive posture on Sunroad.

Truth: This statement is false and ridiculous. Mr. Aguirre is being held to the same standard as every other department of government. The Mayor's staff asked departments to disclose their supplementals back in February 2006; Mr. Aguirre chose not to do so. Virtually every department of City government will realize personnel cuts; the City Attorney's office should be held to the same reform standard.

**CITY OF SAN DIEGO
M E M O R A N D U M**

DATE: February 7, 2006

TO: Distribution

FROM: Dean Roberts, Financial Management Assistant Deputy Director, Acting

SUBJECT: Fiscal Year 2007 Department Supplemental Budget Information Request

One of Mayor Sanders' main themes is transparency in budgeting. There are expenditures and revenues that have not been included in the budget over the years from past practices. The information gathered from this request will provide the mayor and his administration the visibility to make informed budget decisions.

To accomplish this, Financial Management is requesting the disclosure of all department supplemental information. This information includes all supplemental positions, non-personnel expenses, and revenues that exist or are projected in Fiscal Year 2006. Any expenditures or revenues which are either not budgeted or not fully budgeted should be included in this submission.

Attached is a spreadsheet that has been designed to capture all department supplemental information. This exercise has been categorized into three sections: 1) Supplemental Positions 2) Supplemental Non-Personnel Expenses, and 3) Supplemental Revenue. Aside from identifying the requested information in each category, please complete a justification that describes the necessity for carrying this item over-budget and a ramification if the item is not continued.

It is essential that this information be submitted to Financial Management as part of the Fiscal Year 2007 budget development process. This assignment is due no later than the close of business on Friday, February 10, 2006. If you have any questions or concerns, please contact your Financial Management Liaison. Thank you for your cooperation.

Dean Roberts
Financial Management Assistant Deputy Director, Acting

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INSTRUCTIONS: Please complete each worksheet in this workbook identifying your department's supplemental positions, supplemental non- personnel expenses and supplemental revenue. Be sure to thoroughly complete the information relating to each position, non-personnel expense and/or revenue item including funding source, revenue accounts associated with the funding source and its reimbursable amount. Please use one line per funding source and add lines to each form as necessary. Provide justification for each supplemental position, non-personnel expense or revenue amount and explain the ramification of discontinuing each item. This request is due on Friday February 10, 2006. Please contact your Financial Management Liaison if you have any questions.

SUPPLEMENTAL POSITIONS

*For specific instructions on completing each column of information, please scroll over the column title for further clarification.

Ref #	FTE	OCA	Classification Title	Class No.	PE (Salary + Fringe)	Funding Source	Revenue Account	Annual Reimb/Revenue Amount	Rev Budgeted (Y/N)	Justification	Ramifications if Discontinued
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
	0.00		TOTAL		\$0			\$0			

NOTES: (Please note any special circumstances in this area. Please reference the line item number.)